

College of Agriculture and Home Economics
THE OHIO STATE UNIVERSITY

FINANCING THE FRUIT OPERATION

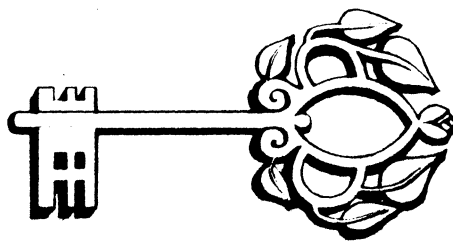
By
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ESO 777

Department of Agricultural Economics and Rural Sociology
Ohio Agricultural Research and Development Center

FINANCING THE FRUIT OPERATION

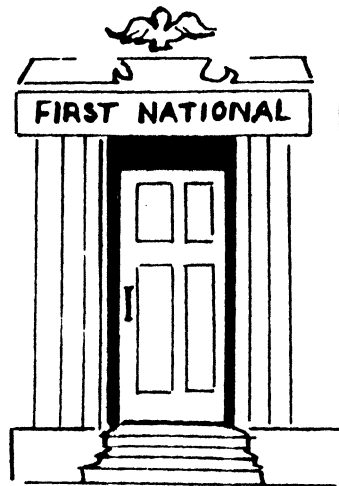
KEYS TO SUCCESS



TERMS?
WHO?
WHERE?
INTEREST?
WHAT?



KNOW YOUR SOURCES OF CREDIT



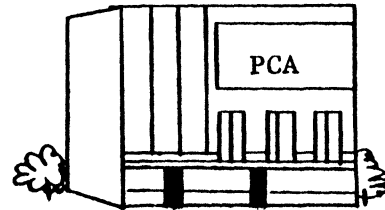
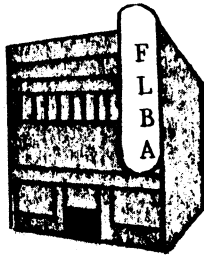
COMMERCIAL BANKS

LOCAL

SHORT TERM

INTERMEDIATE TERM

MEDIUM INTEREST



THE FARM CREDIT SYSTEM

FULL RANGE LENDERS

LOWEST INTEREST



LIFE INSURANCE COMPANIES

LONG TERM
REAL ESTATE
INTEREST???



FARMERS HOME
ADMINISTRATION

AND

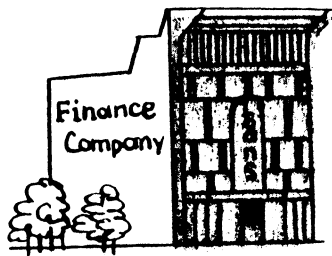
SMALL BUSINESS
ADMINISTRATION

FULL RANGE LENDERS
LOW TO MEDIUM INTEREST
BEGINNING FARMERS
EMERGENCY SITUATIONS



INDIVIDUALS

FLEXIBLE TERMS
FLEXIBLE INTEREST



FINANCE
COMPANIES

AND

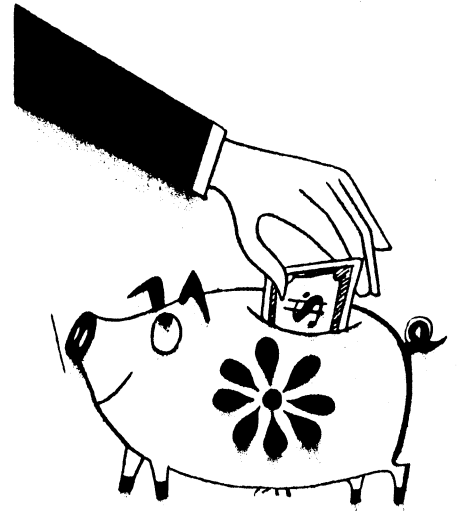
DEALERS

SHORT TERM
INTERMEDIATE TERM
HIGHEST INTEREST

TEN FRUIT FARMS

1-1-80

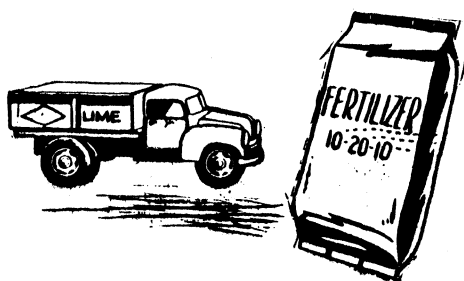
87 % EQUITY



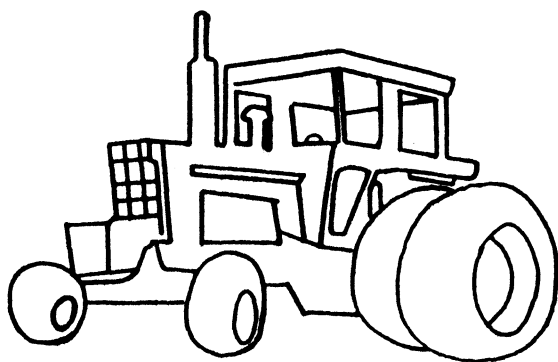
RECOGNIZE THE NEED FOR
EQUITY CAPITAL



KEEP YOUR DEBT
WITH ONE
LENDER



OPERATING
EXPENSES



INVESTMENT
ITEMS

PROJECT CASH NEEDS

- + OPERATING RECEIPTS
 - OPERATING EXPENSES
 - FAMILY LIVING
 - TAXES
 - CAPITAL INVESTMENT
-

\$ AVAILABLE FOR DEBT
SERVICE

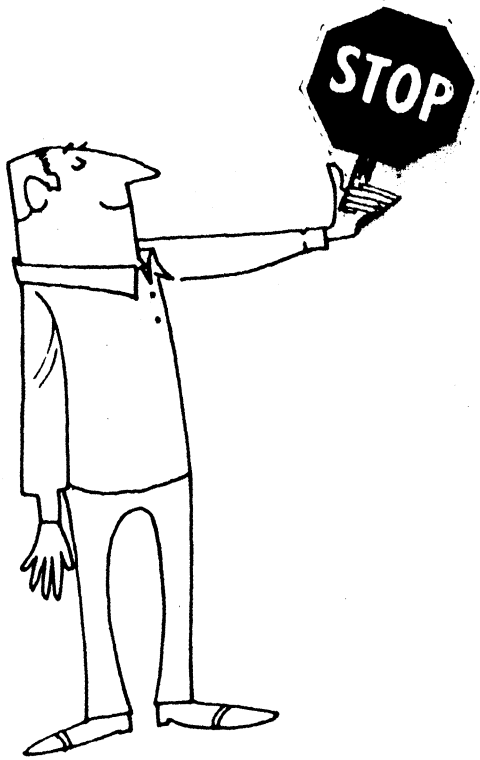


THE MOST IMPORTANT CONSIDERATION

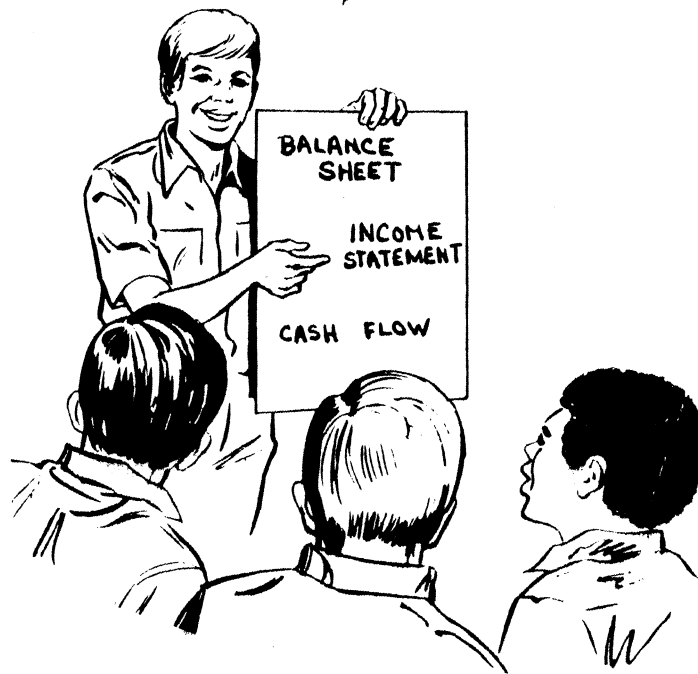
REPAYMENT ABILITY



**KEEP
GOOD
RECORDS**



USE REALISTIC
PRICES
and
YIELDS



PREPARE FINANCIAL STATEMENTS



LENGTH OF LOAN

EQUALS

LIFE OF ASSET

STRUCTURE DEBT PROPERLY